

VERDICTS & SETTLEMENTS

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Making Lemonade

JAMS neutral Michael Ranahan relies on his 20 years of practice to guide parties in auto defect cases to successful settlements.

By Saul Sugarman
Daily Journal Staff Writer

The U.S. automobile industry has created “this love affair between Americans and their cars,” which sometimes makes mediations in auto defect cases emotionally charged and hard to settle, according to Michael D. Ranahan.

A former personal injury attorney-turned-neutral, Ranahan mediates a significant number of “lemon law” cases that allege defects in various automobiles. He said that bigger manufacturers sometimes don’t want to settle smaller cases.

“When damages are lower, those cases are the hardest to resolve,” said Ranahan, who has been with JAMS for about seven years and works out of the provider’s Walnut Creek offices. “If [those companies] don’t see a risk of exposure, then they don’t see incentive to resolve the case.”

Ranahan has mediated cases with Ford Motor Co., Hyundai Motor Co., Toyota Motor Corp., Mercedes-Benz, and others. Some are minor defect cases while others involve significant damages. He said plaintiffs in such cases often fight hard but remain loyal to the defendant companies.

“I’m frequently dealing with people who’ve had traumatic events happen to them. This is a manufacturer that their family has bought for three generations,” he said. “They tell me that, once their case resolves, they’re going to go out and buy another one.”

Ranahan sees the tension between company and customer as a challenge, not a burden. Persistence is key to getting his cases resolved, he said.

“He’s not a 9-to-5 guy,” said Kevin J. Tully, a San Mateo-based attorney who has defended “dozens and dozens” of lemon law cases that Ranahan has mediated. “If we don’t get a dispute solved in a single session, [Ranahan] will follow up morning and night.”

Sometimes, persistence means bringing a client into the mediation instead of the attorneys representing

them, said William R. McGee, a San Diego-based sole practitioner who has used Ranahan. In a recent mediation, McGee said Ranahan wanted to talk directly to the plaintiff.

“Normally he just goes back and forth between me and the defendant’s attorney,” McGee said. “But after hearing why [my client] thought her car was a lemon, [Ranahan came] back a few days later with an offer from defense.”

Ranahan said it’s important to him that everyone feels they get “their day in court” in his mediations. But attorneys who are unprepared or closed-minded annoy him. Fortunately, he doesn’t see much of that.

“I think the lawyers [in lemon law cases] come to the table in good faith wanting to resolve the matter,” he said.

Getting an auto case settled is not a one-size-fits-all proposition, Ranahan said. Unlike some neutrals, he won’t take a definitive stance on a case after hearing its details.

“I try to have all parties participate in a proactive and constructive way. My job is to facilitate a conversation,” he said. “Hopefully, at the end of the day, you’re able to get some kind of closure.”

Born in San Rafael, Ranahan received a bachelor’s degree from UC Berkeley in 1977, a master’s degree in business from the University of Illinois Urbana-Champaign in 1981, and his law degree from John F. Kennedy University in 1985. After law school, he worked as a personal injury attorney with his brother at Ranahan Law Corp. in Walnut Creek.

In 2005, Ranahan decided to transition to mediation in part for a change of pace, but also because of the success he saw in mediations while working as an attorney. He said he was “more akin to making peace” than the two-sided nature of firm practice work.

“I had been in private practice for just shy of 20 years, and a friend said they thought I’d make a great mediator and arbitrator,” Ranahan said. “Moving [into mediation] was one of the most seamless transitions.”



S. Todd Rogers / Daily Journal

Michael D. Ranahan

JAMS

Walnut Creek

Age: 57

Areas of specialty: personal injury, automotive disputes, business/commercial, landlord/tenant

Ranahan said he may have been at a slight disadvantage when he began at JAMS because he’s never been elected or appointed to the bench, unlike many neutrals there who are retired judges.

“I didn’t come off the bench with a load of contacts who appeared in front of me. But I had lots of contacts in the private sector,” he said. “Being an attorney neutral, I think I brought a different perspective to the [job vetting] process.”

And he’s not completely without bench time. Ranahan has been working as a pro tem for Contra Costa County Superior Court since 1998, frequently hearing unlawful detainer and traffic lawsuits.

“For the people who appear in front of me, it’s often their only contact with the courts other than what they see on television courtroom dramas,” he said. “I treat them all with respect and listen to what they have to say.”

One of his more memorable cases as a pro tem was an eviction of a veteran last year. Ranahan received a last-minute call from the court’s presiding judge asking that he take on the case.

“Listening to [the tenant’s] story, I got the sense that he hadn’t been able to tell it,” Ranahan said.

Ranahan got the case resolved

within several hours, with the tenant agreeing to vacate the premises. Still, he felt the tenant and landlord had settled amicably.

“[The tenant] was being asked to leave his residence of a long time,” he said. “When people are being evicted, it’s emotional.”

Jon Jacobs, a Rocklin-based plaintiffs’ lemon law attorney, said Ranahan’s ability to “get to know the participants’ stories and really get to know the people themselves” goes a long way toward getting a case resolved.

“He mixes a good sense of humor with great people skills,” said Jacobs, who has used Ranahan for more than 75 mediations.

Jacobs recalled one case in which the manufacturer ignored his client’s problems with his truck, despite a proven record that his client had been taking care of the truck. The settlement stalled because the manufacturer persisted on a “lowball” offer, Jacobs said.

“I think [Ranahan] realized it was a battle of egos and stubbornness,” Jacobs said. “So he separated the parties, cooled everyone down with his humor, good sense, and great recall of the facts, and got the job done in record time.”

Here are some lawyers who’ve used Ranahan’s services:

Armen Hairapetian, Hairapetian & Hairapetian, Pasadena; Jon Jacobs, The Law Offices of Jon Jacobs, Sacramento; Bryan Kemnitzer, Kemnitzer Barron & Krieg LLP, San Francisco; Kevin R. Tully, The Law Offices of Kevin Tully, San Mateo; John Winer, Winer & McKenna LLP, Oakland.